



Minnesota State Demographic Center

MINNESOTA HOUSE OF REPRESENTATIVES AGING AND LONG-TERM CARE COMMITTEE

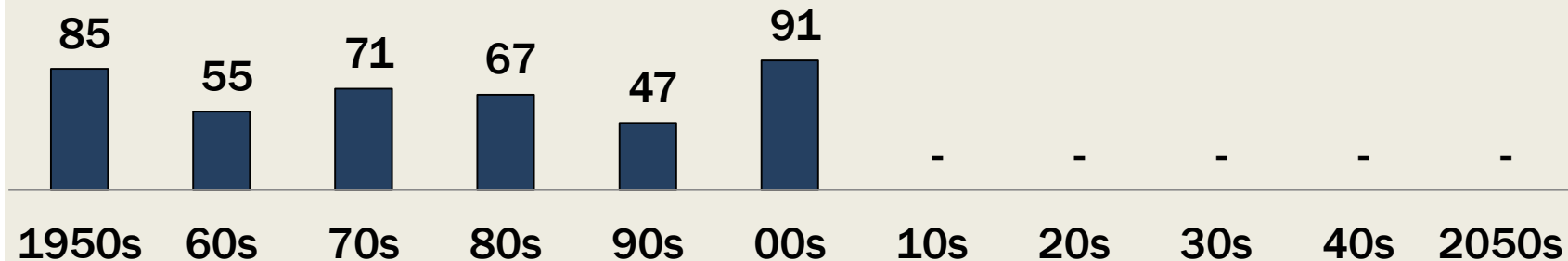
**Susan Brower, Minnesota State Demographer
January 14, 2015**

TOPICS FOR TODAY

1. Aging Trends in Minnesota
2. Factors Impacting the Need for Long-Term Care (LTC)
3. Costs of LTC and income of older adults in MN
4. Labor force needed to care for aging residents

NUMBER OF MN'S OLDER ADULTS WILL INCREASE SUBSTANTIALLY OVER THE NEXT 20 YEARS

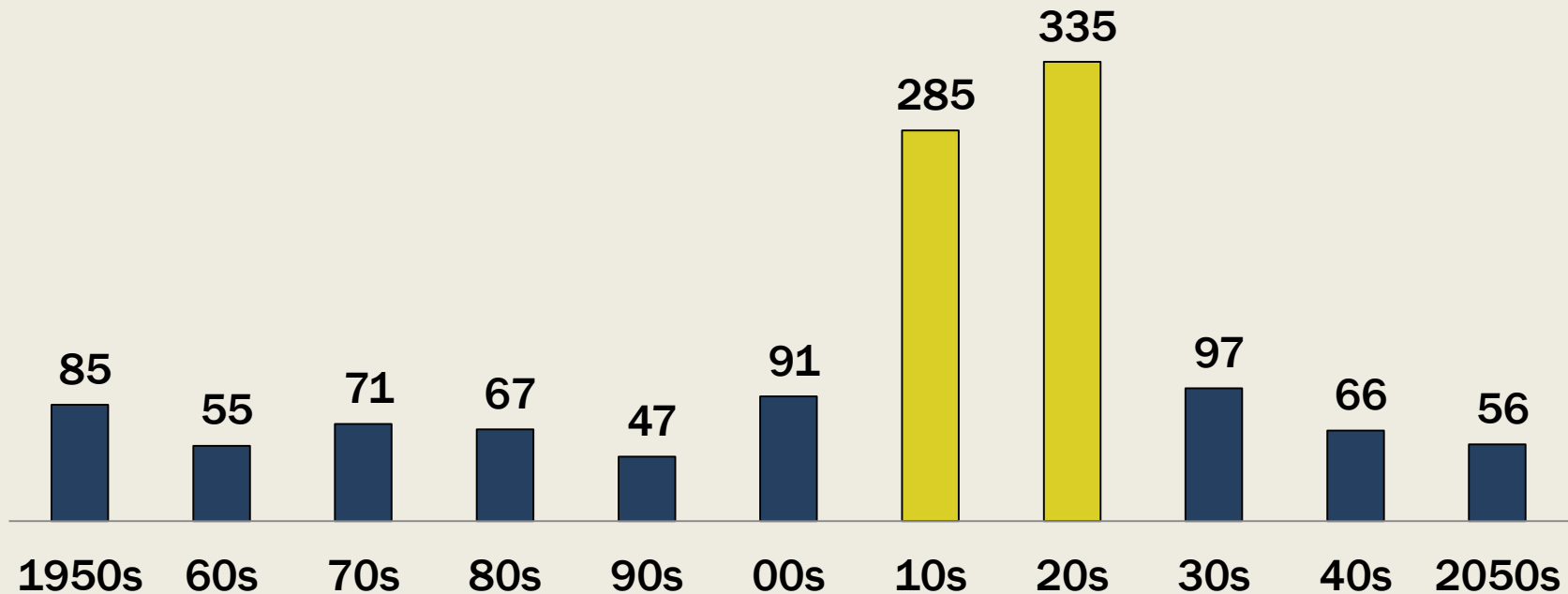
Change in older adults, age 65+ (Thousands)



Sources: U.S. Census Bureau and Minnesota State Demographic Center

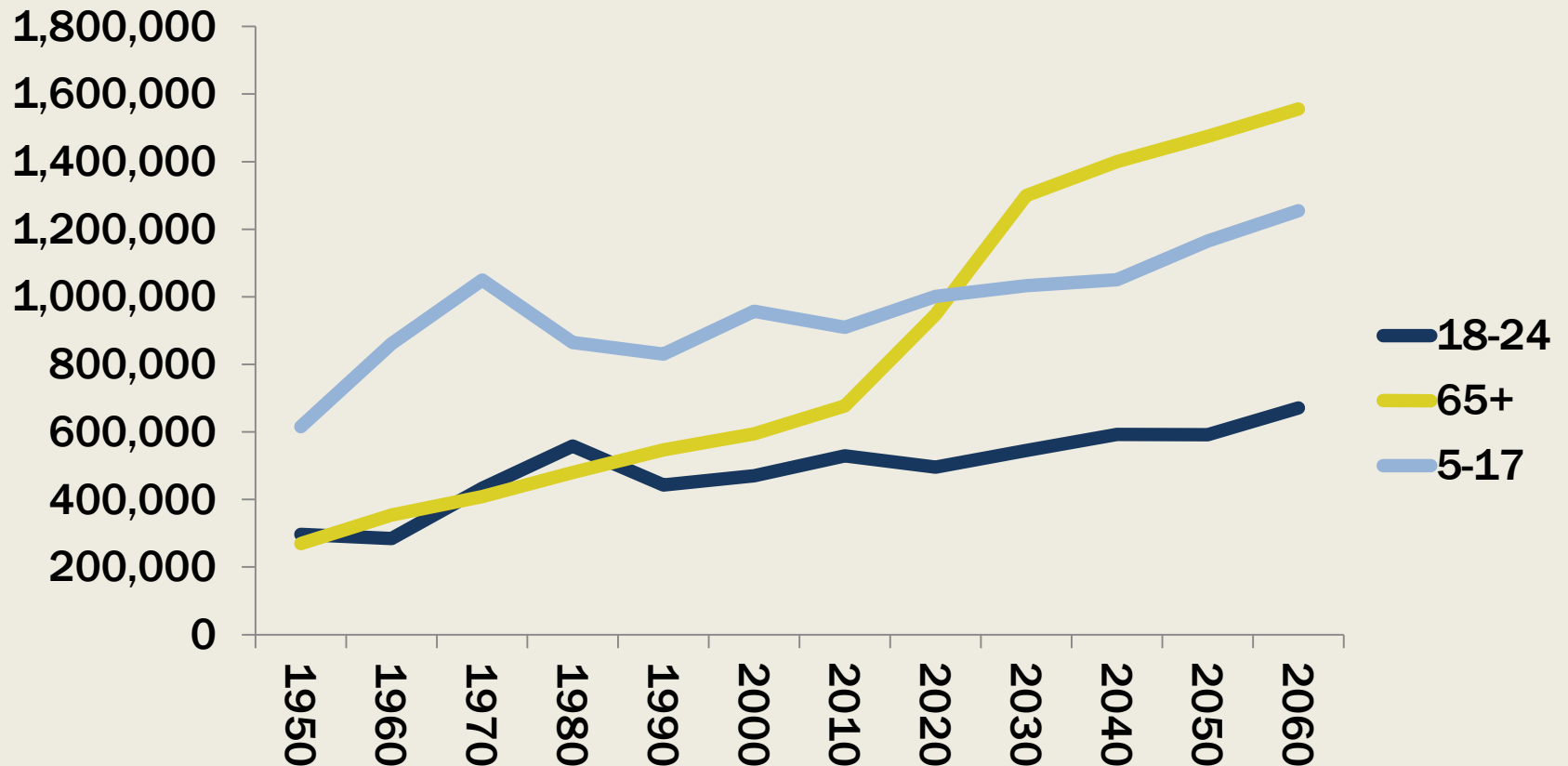
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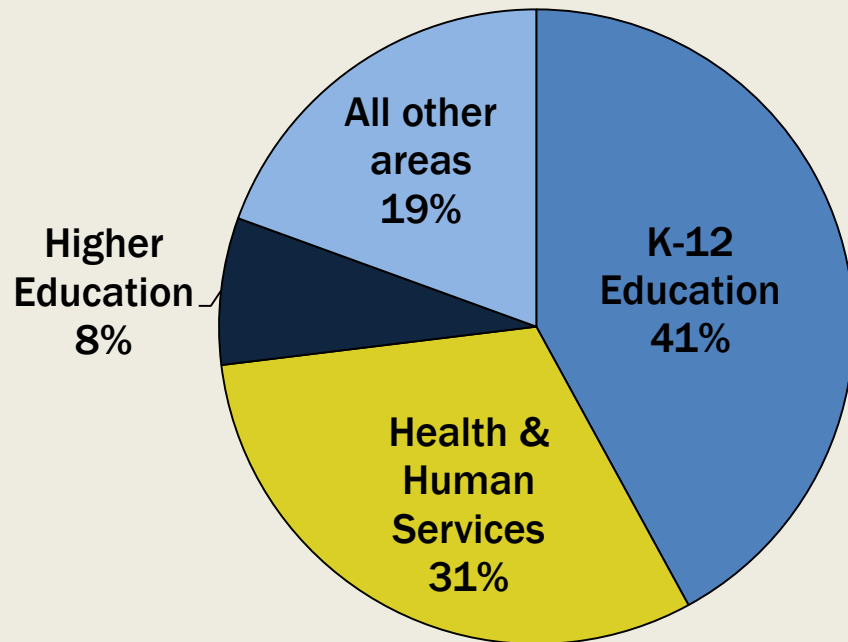
FOR THE FIRST TIME IN MN HISTORY: MORE 65+ THAN SCHOOL-AGE BY 2020



Source: U.S. Census Bureau & Minnesota State Demographic Center

DEMOGRAPHIC SHIFTS WILL CHANGE DEMAND FOR PUBLIC SERVICES

General Fund Expenditures 2014-2015



Within Health & Human Services

- Medical Assistance Expenditures: 25% of GF spending (8.5 billion)
- Medical Assistance Expenditures for the Elderly and Disabled: 16% of GF spending (5.5 billion)
- MA expenditures include basic care, long-term care waivers and long-term institutional care

Sources: Minnesota Management and Budget, February 2013. House Research, Long-Term Care Services for the Elderly, November 2012

More than 65 Years

ACS 2009 -- 2013 (5-Year Estimates)

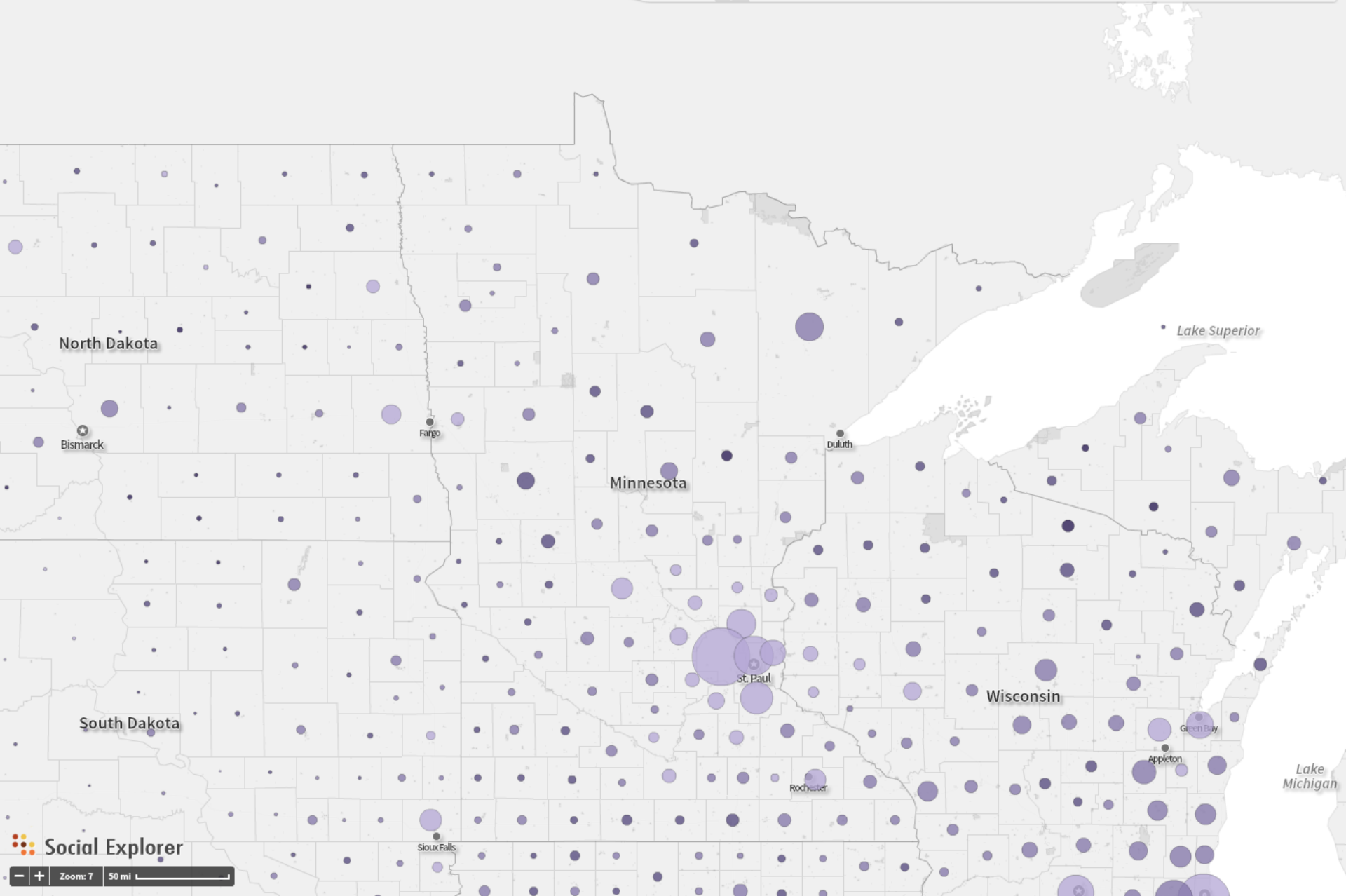
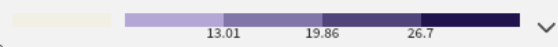
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County

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Bubbles

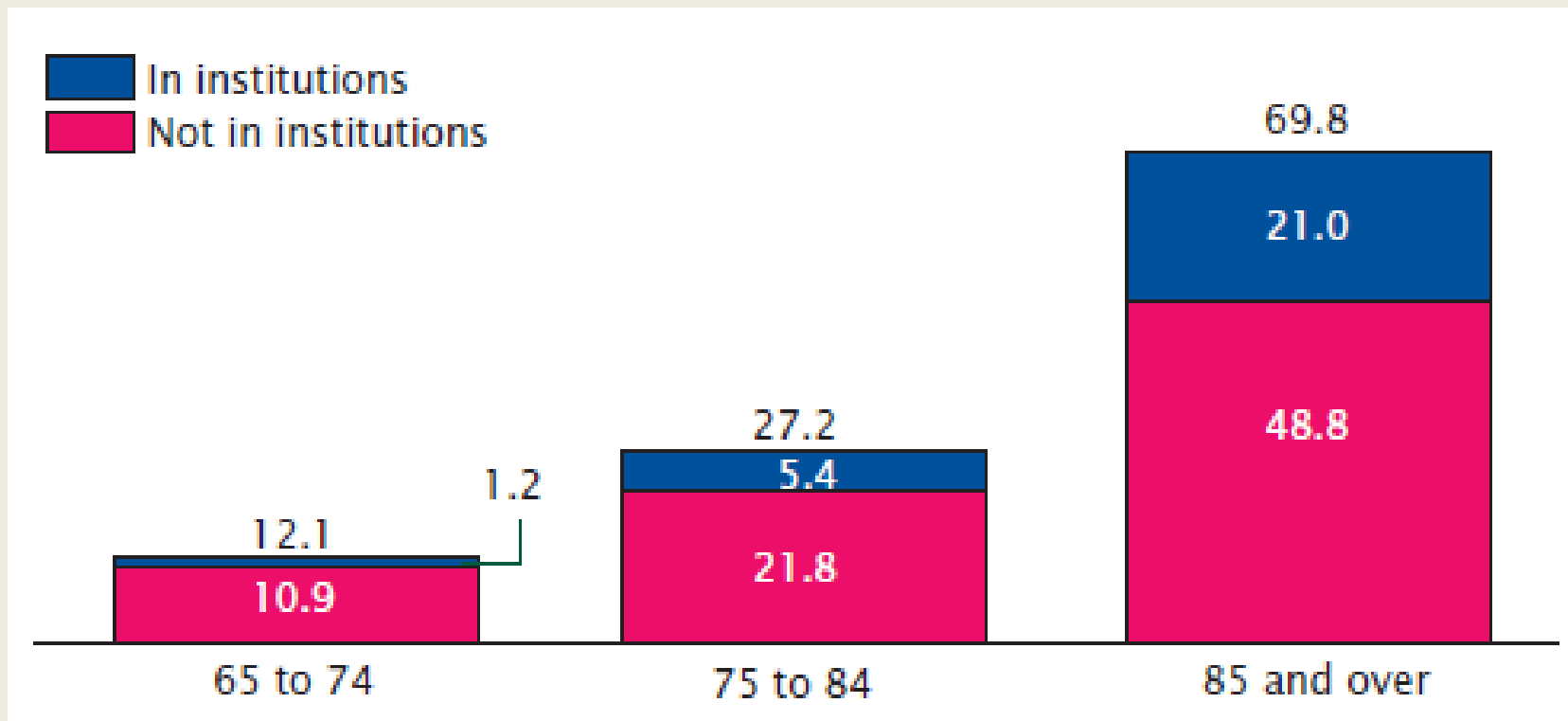
15,000



WHAT FACTORS IMPACT THE NEED FOR LONG-TERM CARE (LTC)?

- **Demographic: Age & Gender**
- **Health status**
- **Disability**
- **Living arrangements**

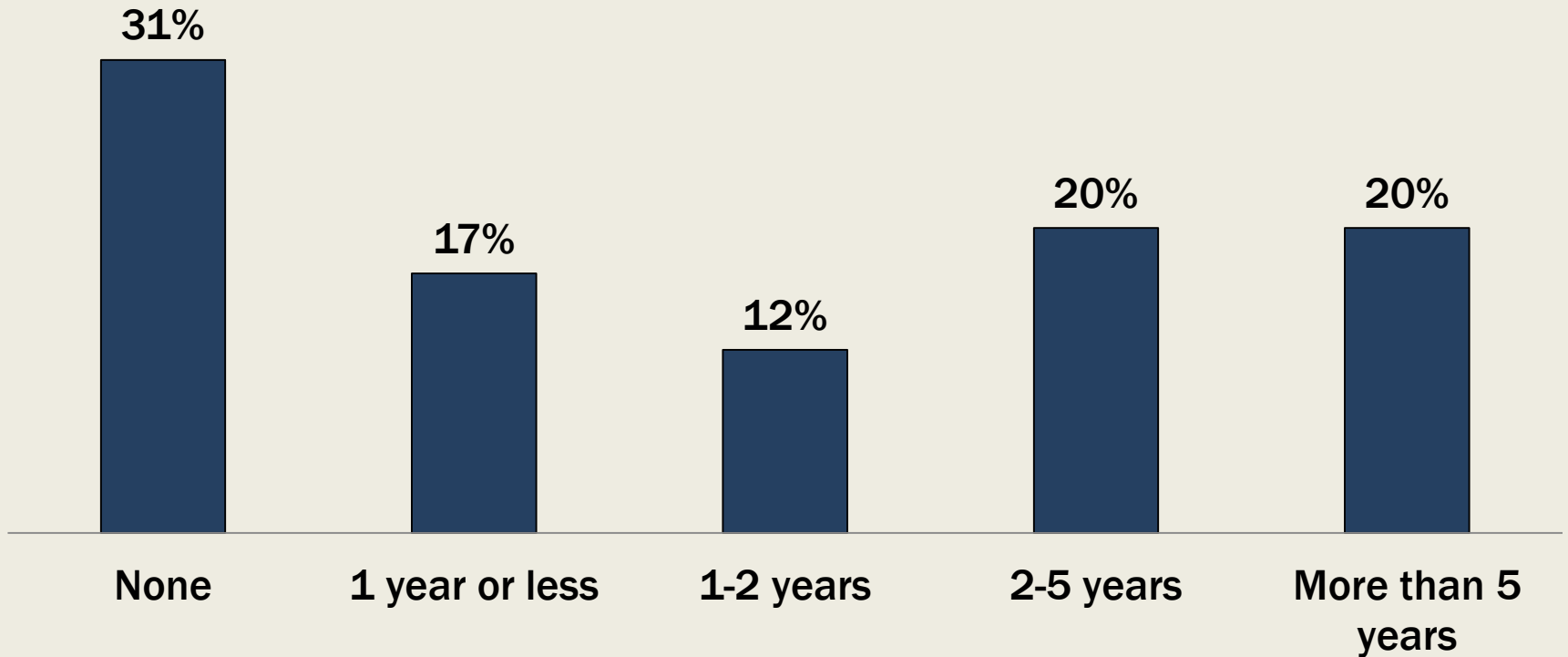
NEED FOR LONG-TERM CARE IS SUBSTANTIAL AFTER AGE 85



Source: Stone, 2000

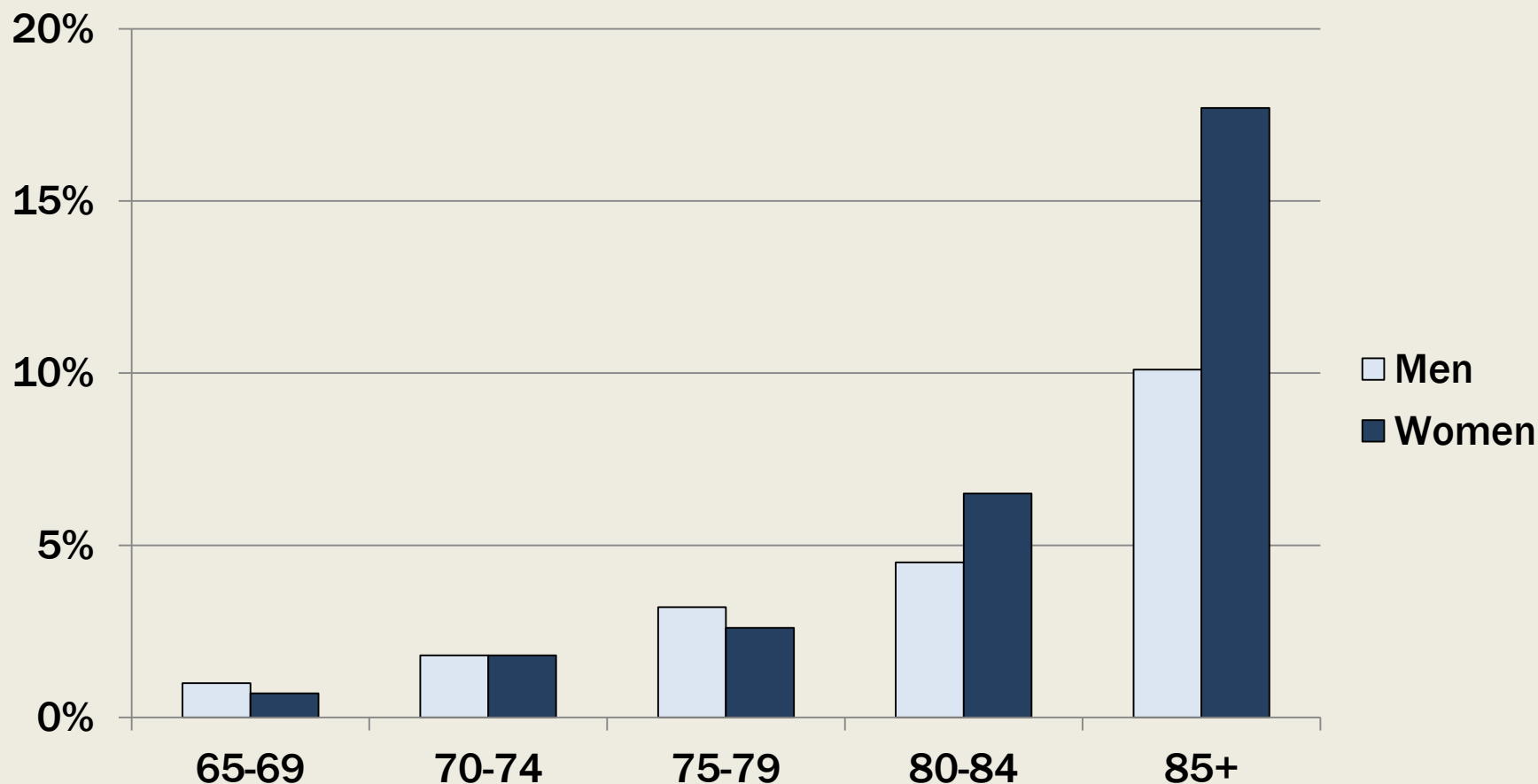
70% OF OLDER ADULTS NEED LONG-TERM CARE

Estimated Years of Long-Term Care Need After Turning Age 65



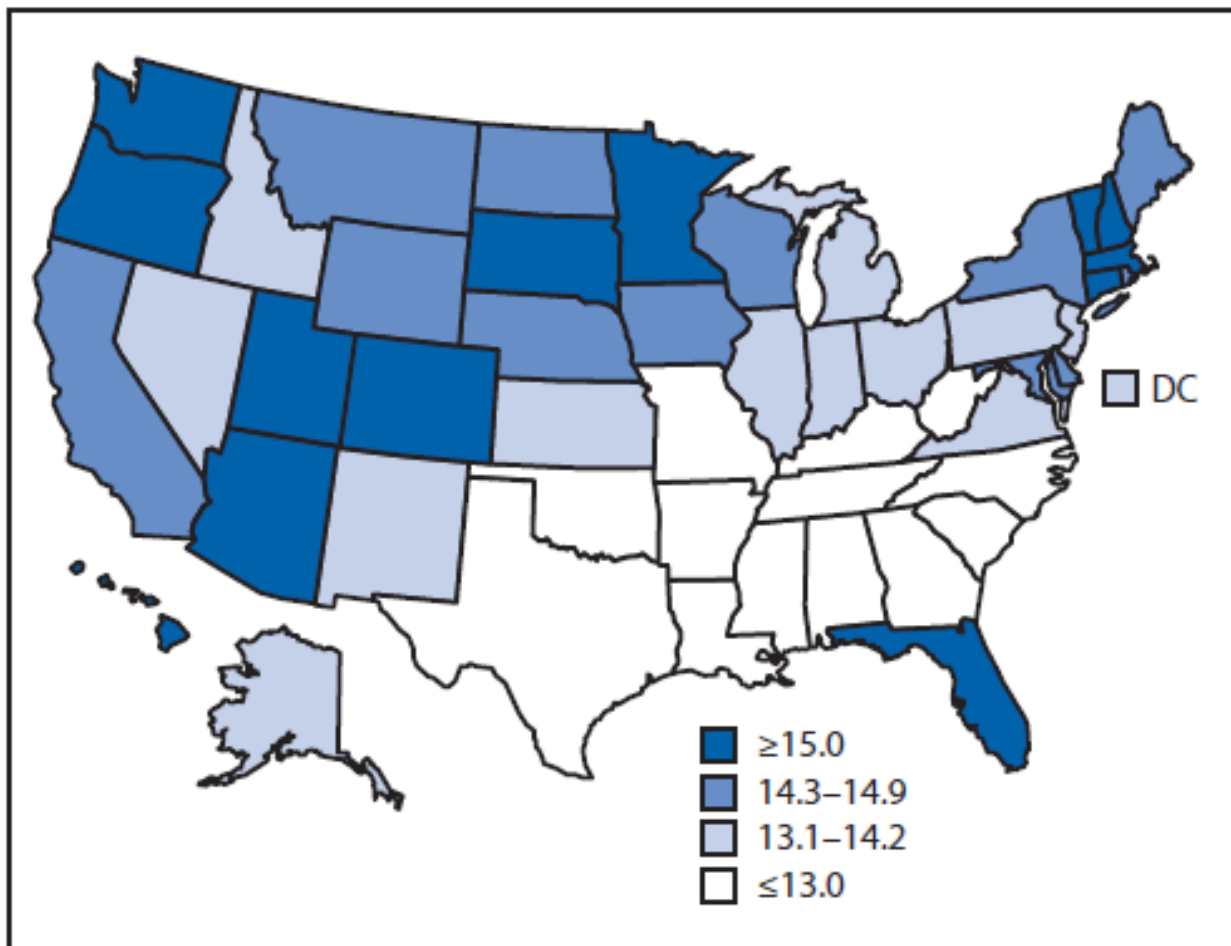
Source: Kemper, Komisar and Alecxi, 2006.

OLDER ADULTS LIVING IN INSTITUTIONS MINNESOTA 2010



Source: Tabulated by the MN State Demographic Center from the Integrated Public Use Microdata Series.

HEALTHY LIFE EXPECTANCY AT 65, 2007-2009



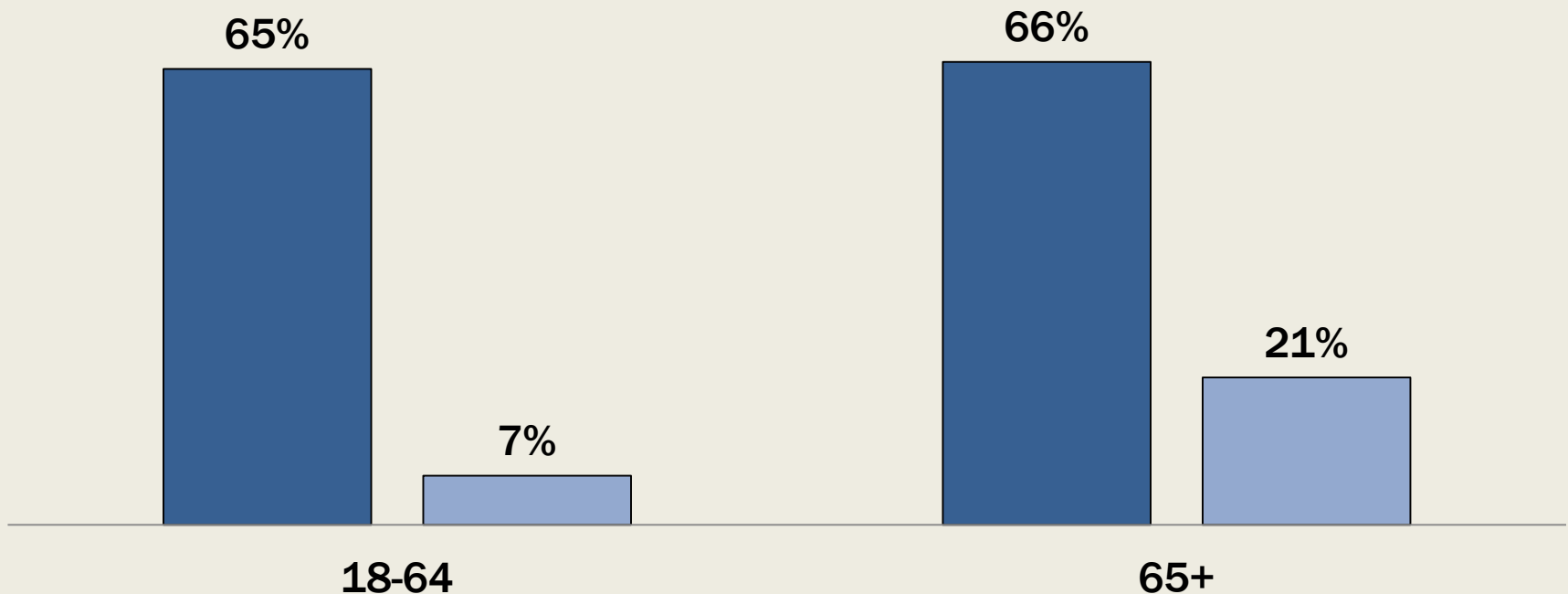
At age 65, the average Minnesotan will live an additional 20 years.

15 of those years will be disability-free, on average.

2/3 OF ADULTS RECEIVING LONG-TERM CARE ARE IN “FAIR” OR “POOR” HEALTH

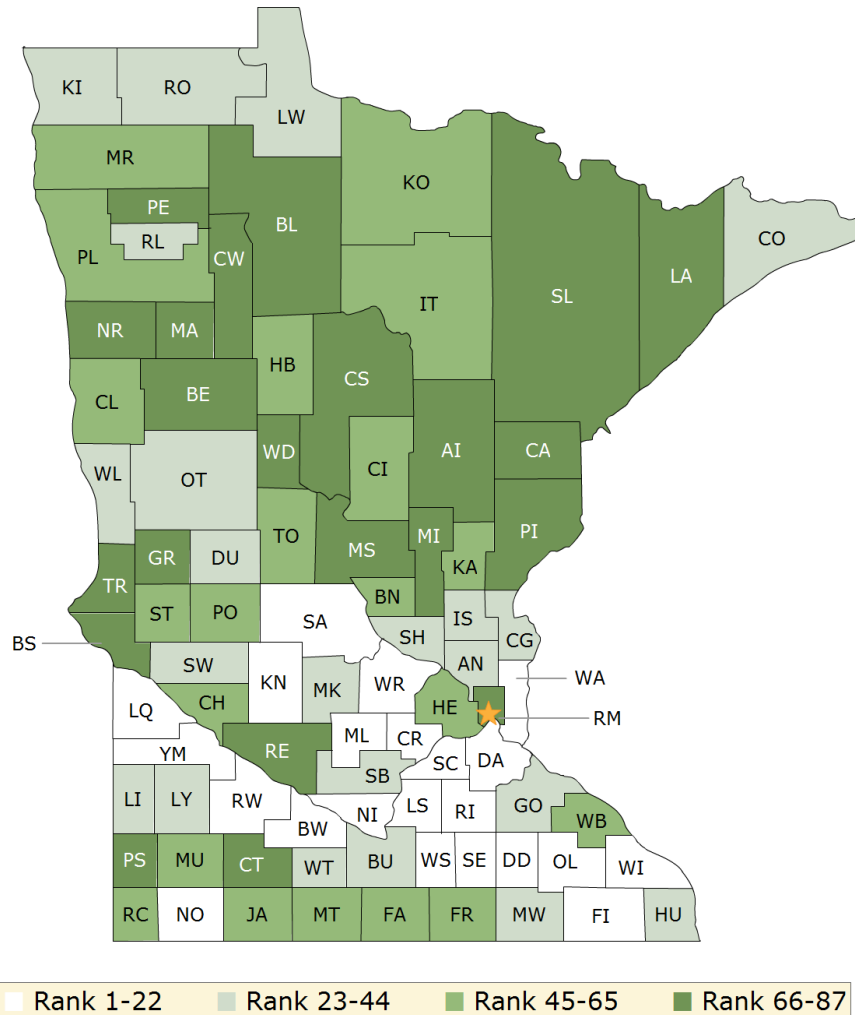
Percent Reporting Own Health Status as Fair or Poor

■ Adults with Long-Term Care Needs ■ Other Adults



Source: Health Policy Institute, George Washington University. 2000 National Health Interview Survey.

2014 Health Outcomes - Minnesota



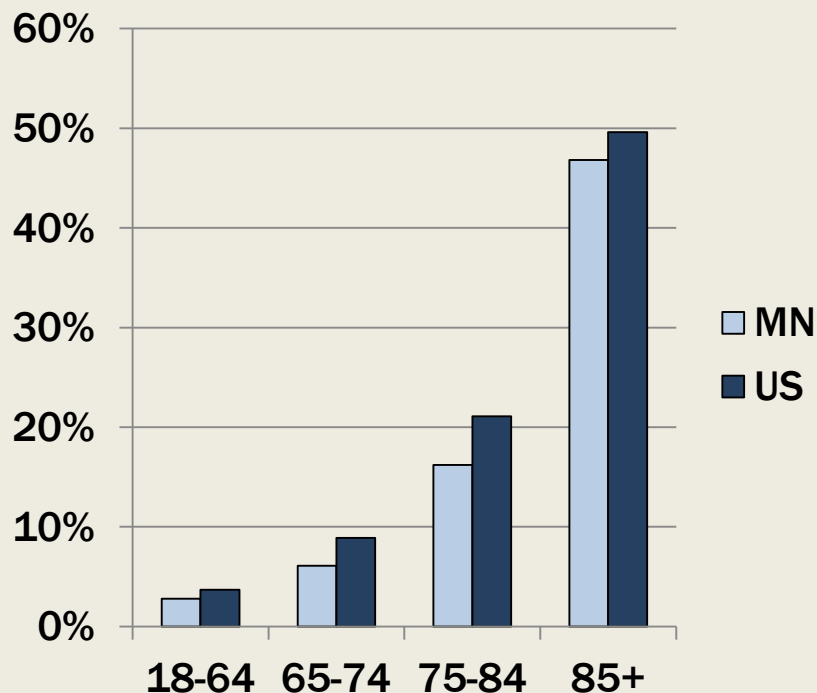
HEALTH OUTCOMES 2014

A index of self-rated health and life expectancy

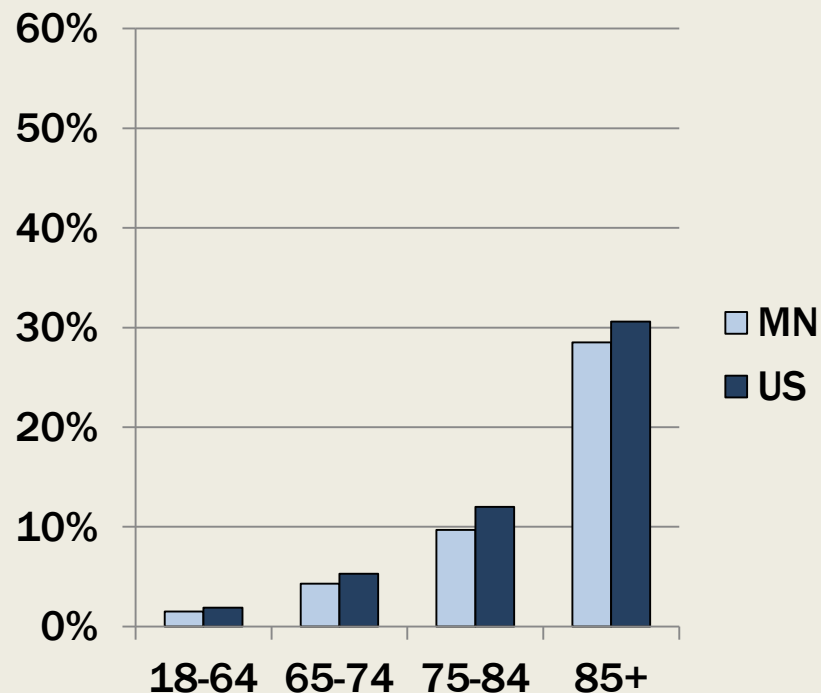
MN's healthiest counties are concentrated in the south

AGING BRINGS HIGHER RATES OF DISABILITY

**Percent with an independent-living disability by age
2008-2012**

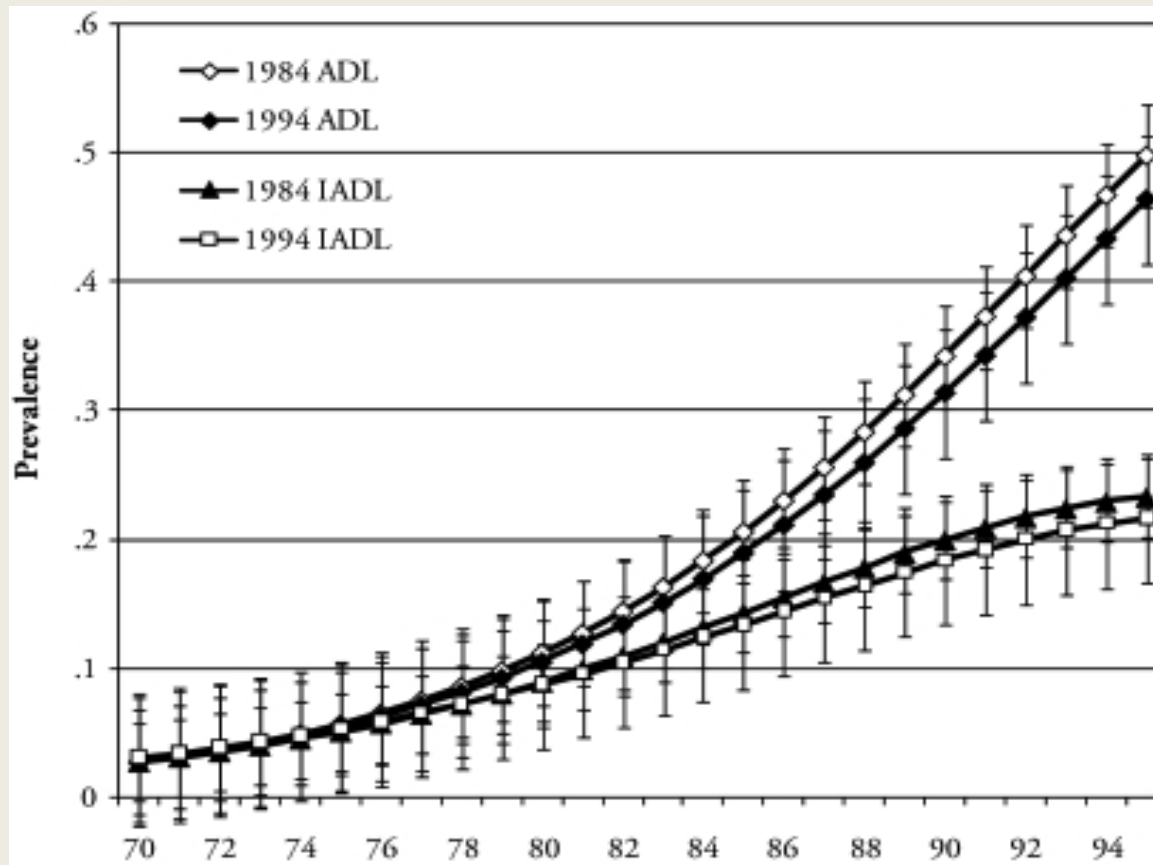


**Percent with a self-care disability by age
2008-2012**



Source: Tabulated by the MN State Demographic Center from the Integrated Public Use Microdata Series. Includes only the civilian, non-institutionalized population

PREVALENCE OF DISABILITY DECLINING SLOWLY, AGE PATTERN REMAINS



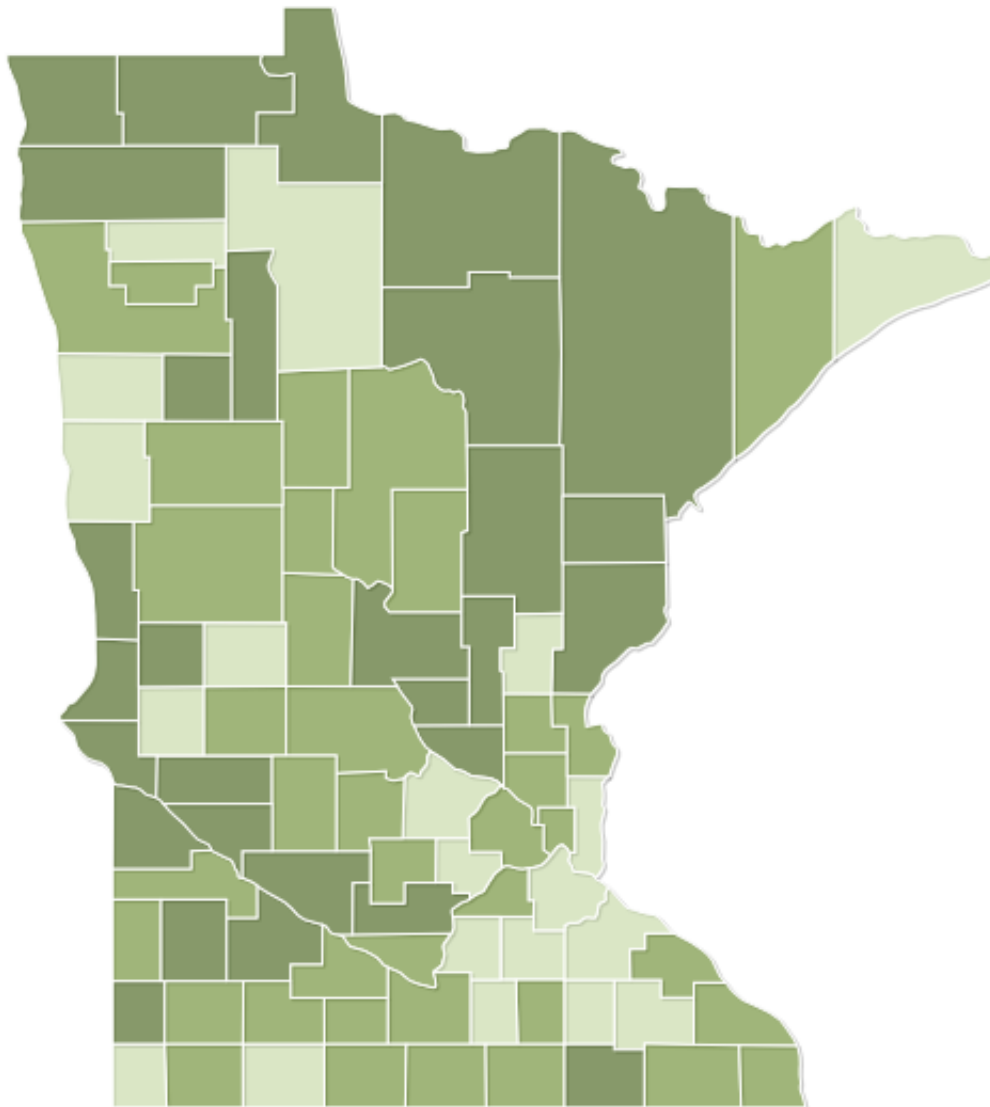
Disability limiting
self-care

Disability limiting
independent living

Source: Crimmons, et al 2009. Estimates are for the U.S.

Percent with a disability, 65+ only

By county, 2008-2012

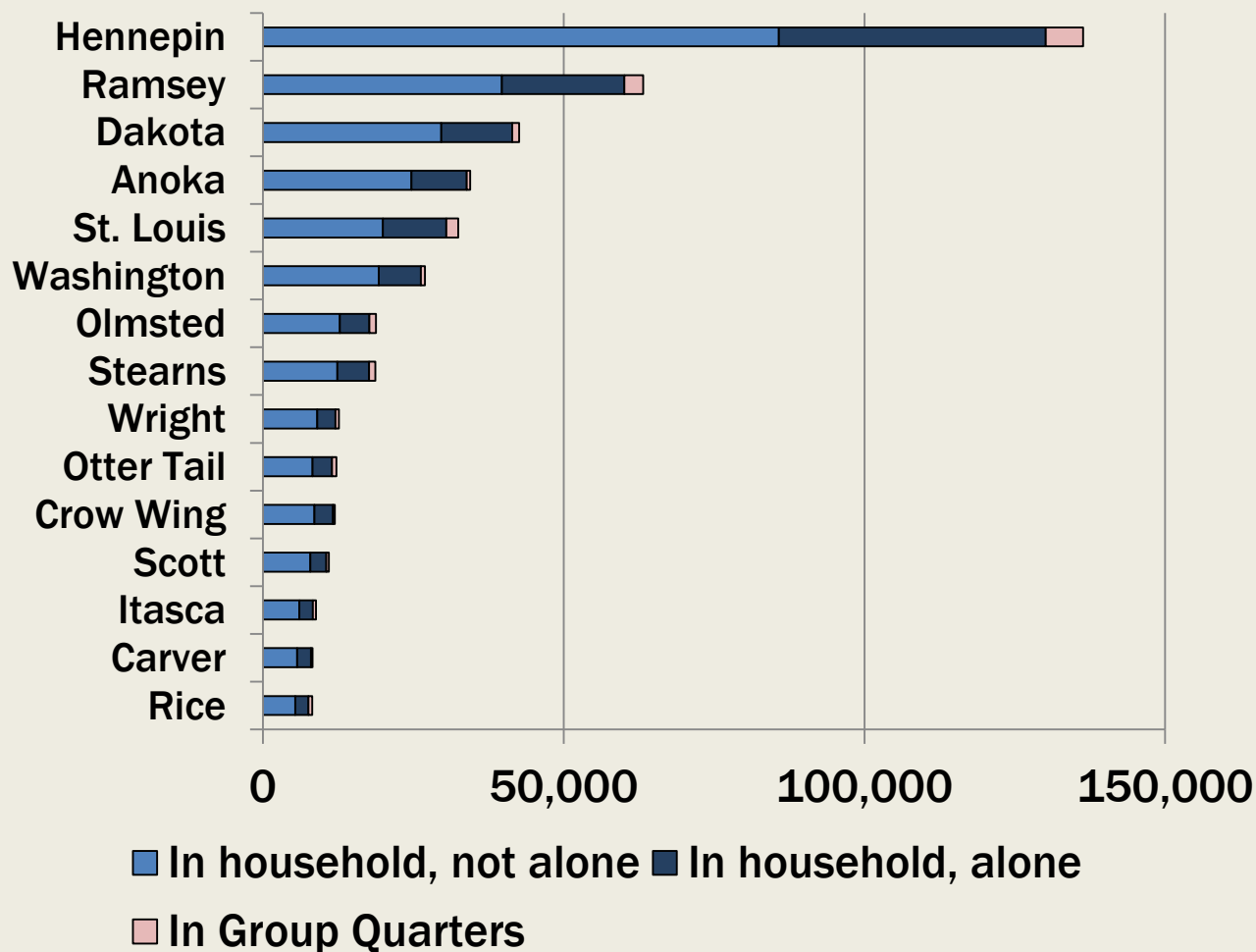


Less than 30%
30 - 34.9%
35% or more

RATES OF DISABILITY AMONG OLDER ADULTS

Source:
mncompass.org

MN Counties with the greatest number of older adults (Age 65+) by living arrangement



29% OF
OLDER
ADULTS
(AGE 65+)
LIVE
ALONE;

200,000
IN MN

Source: 2008-2012 American Community Survey, U.S. Census Bureau

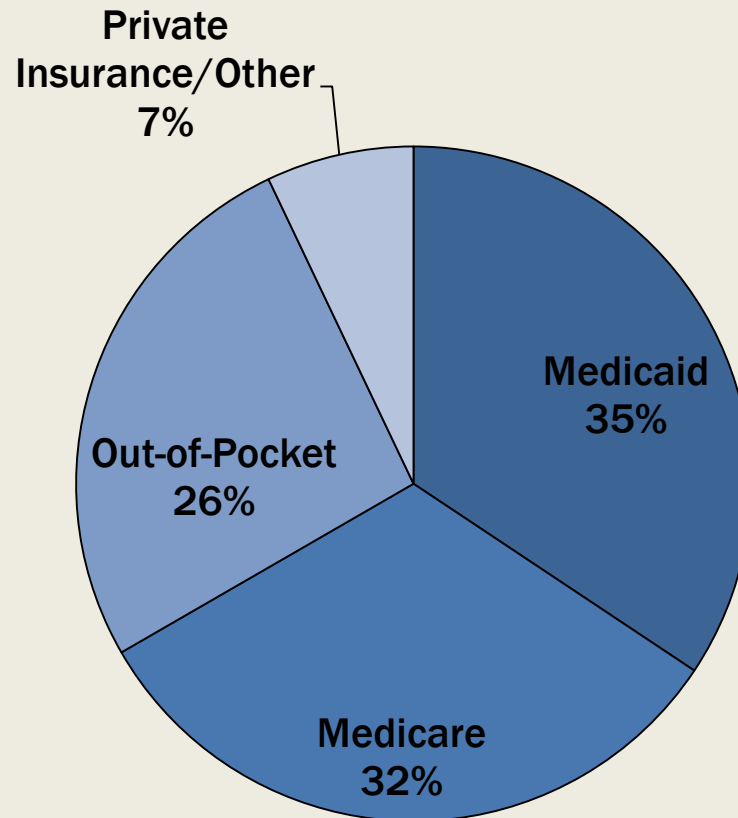
LONG-TERM CARE COSTS IN MINNESOTA

Average Daily Nursing Home Rate Private Room	Average Daily Nursing Home Rate Semi- private Room	Average Monthly Cost in Assisted Living Facility	Adult Day Care Daily Rate	Home Health Aide Average Hourly Rate	Homemaker Services Average Hourly Rate
\$234	\$210	\$3,316*	\$75	\$25	\$22
\$85,775/ annual	\$76,650/ annual	\$39,792/ annual	\$27,375/ annual	\$20,000/ annual Est.	\$20,000/ annual Est.

*Not all-inclusive; additional charges for home care services.

Source: Genworth 2012 Cost of Care Survey, Genworth Financial

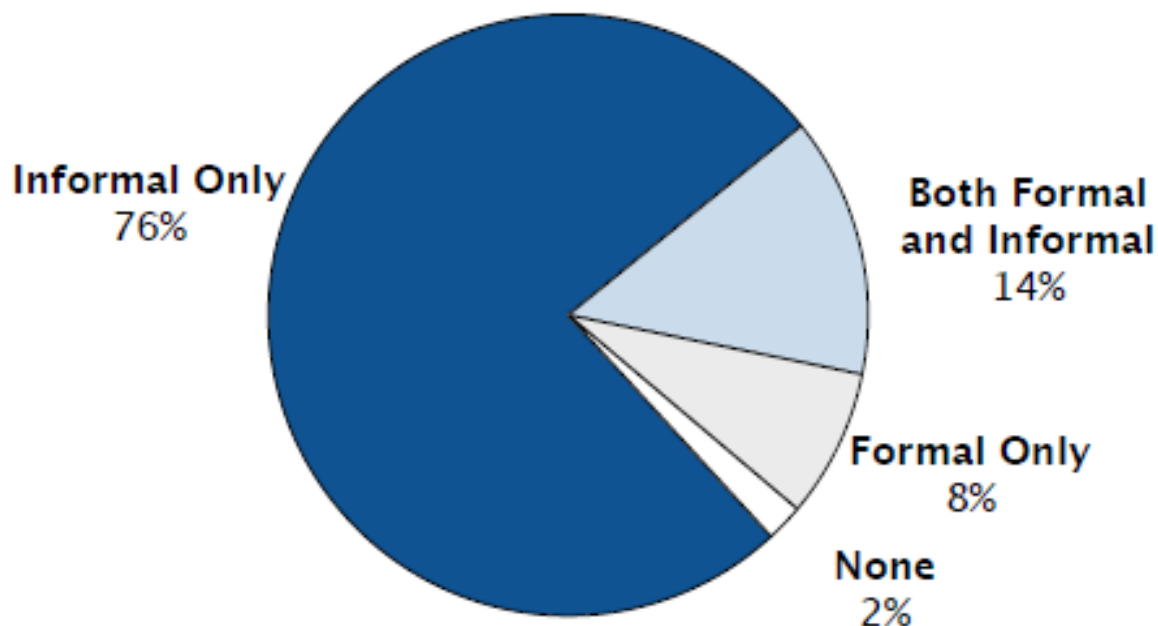
WHO PAYS FOR LONG TERM CARE IN MINNESOTA ? (2010)



Source: MN Department of Human Services, 2010

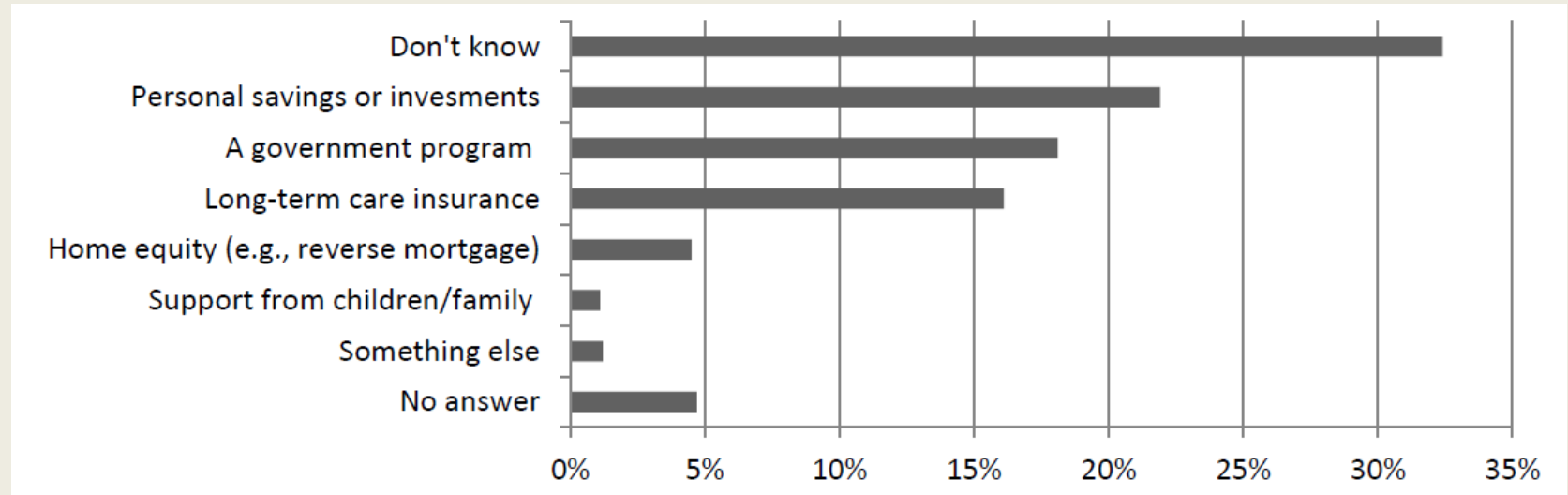
OF U.S. ADULTS NEEDING LTC, ONLY 22% RECEIVE FORMAL (PAID) CARE

**Distribution of Community Adults Who Need
Long-Term Care, by Type of Care Received**



SOURCE: Health Policy Institute, Georgetown University, analysis of data from the National Health Interview Survey on Disability, Phase II, 1994-1997.

PLANS TO PAY FOR LONG-TERM CARE MN BABY BOOMERS, 2010



Source: Transform 2010 Survey, Minnesota Department of Human Services

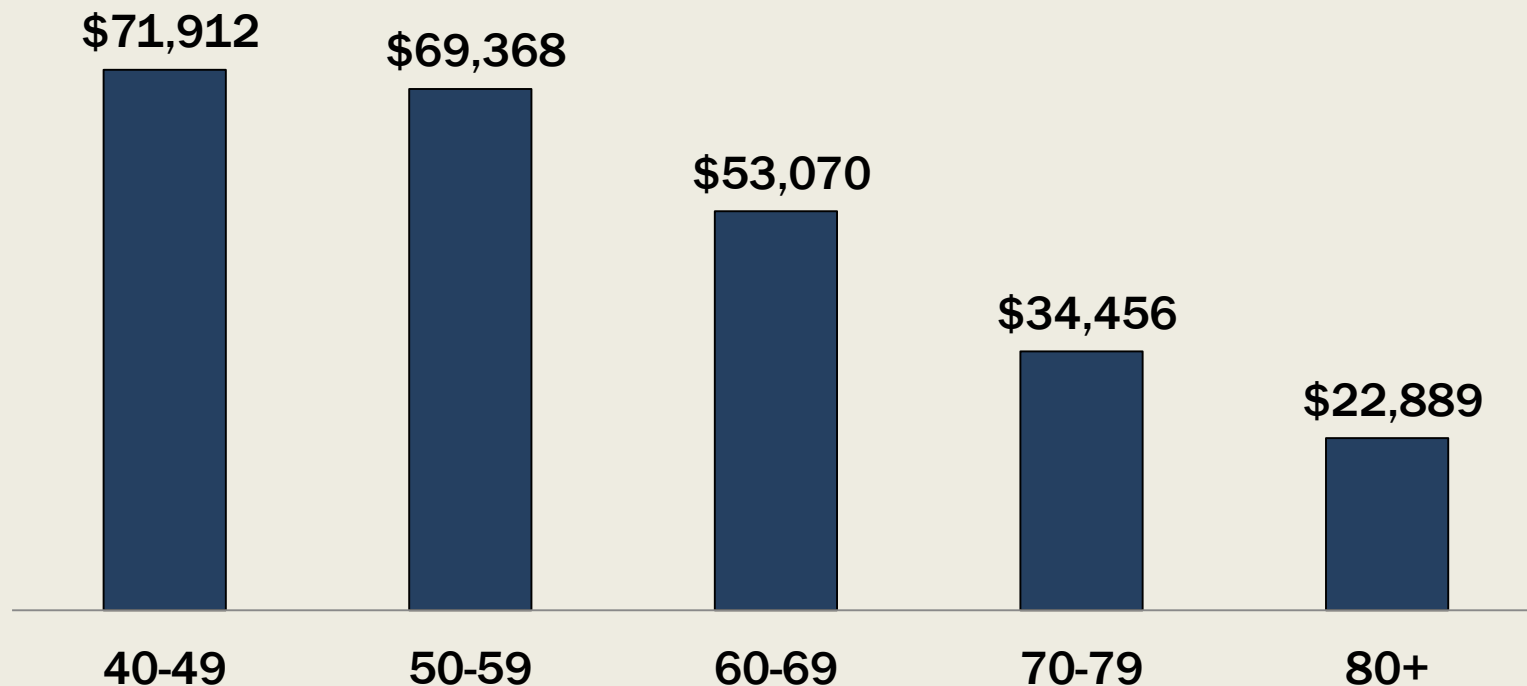
WHAT IS MIDDLE INCOME?

- Difficult to come up with a meaningful number for “middle class” or “middle income”
- The middle 20% of all MN households with a householder age 40+ has income between \$44,000 and \$68,000
- But there is wide variation, especially when household size is considered

Source: MN State Demographic Center analysis of ipums data, 2007-2011
American Community Survey

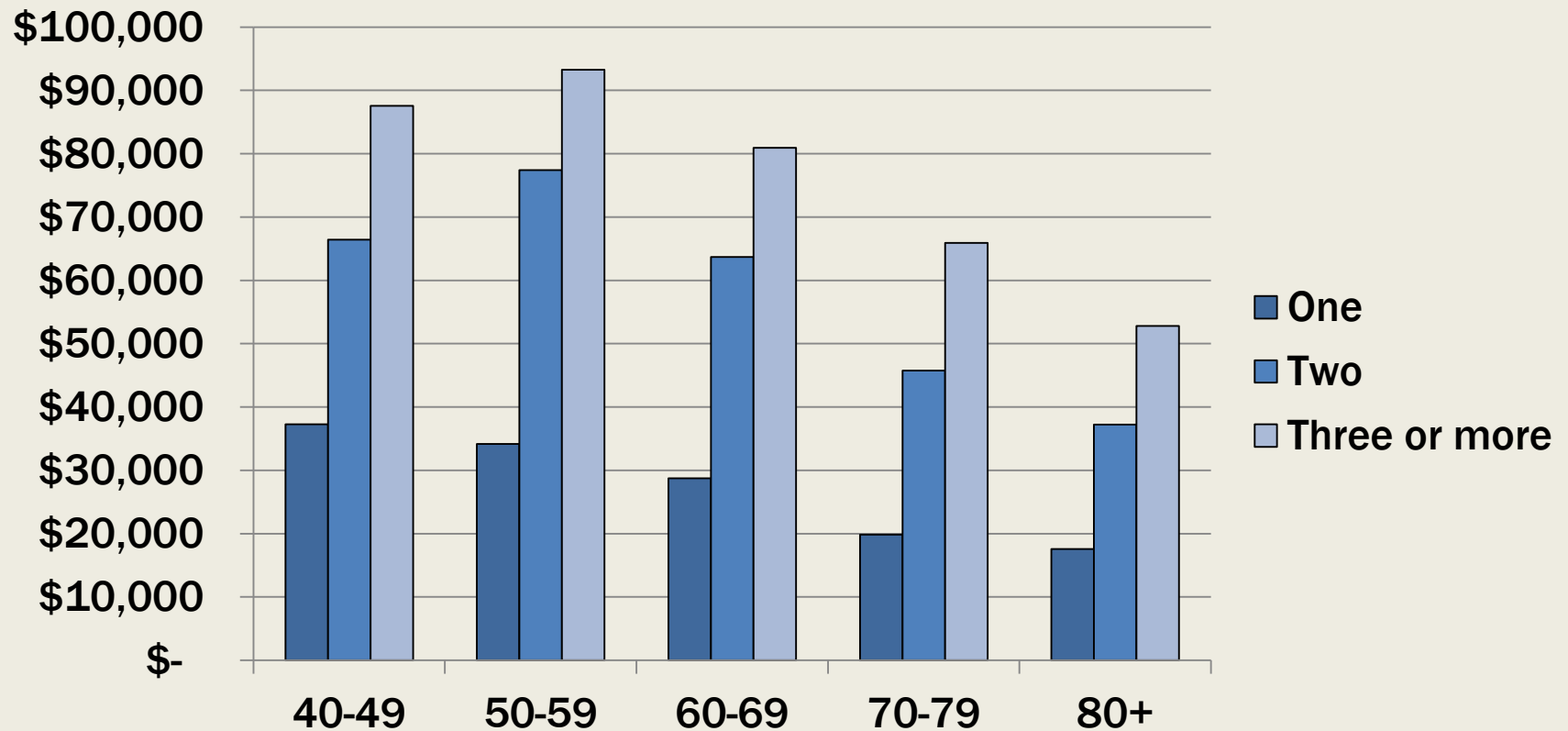
MEDIAN HOUSEHOLD INCOME DECLINES WITH AGE

**Median household income by age of householder
Minnesota, 2007-2011**



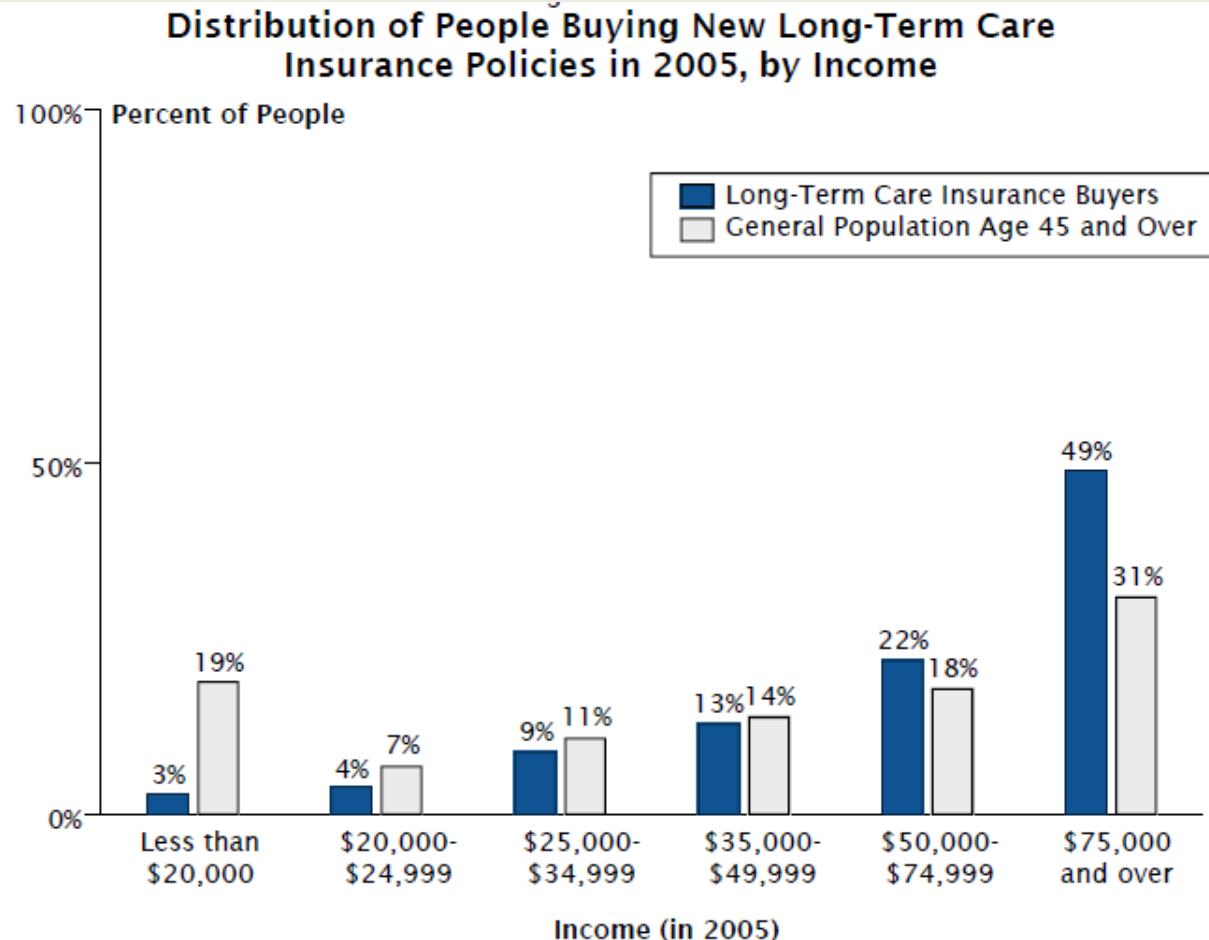
Source: MN State Demographic Center analysis of ipums data, 2007-2011 American Community Survey

MEDIAN HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER AND HOUSEHOLD SIZE



Source: MN State Demographic Center analysis of ipums data, 2007-2011
American Community Survey

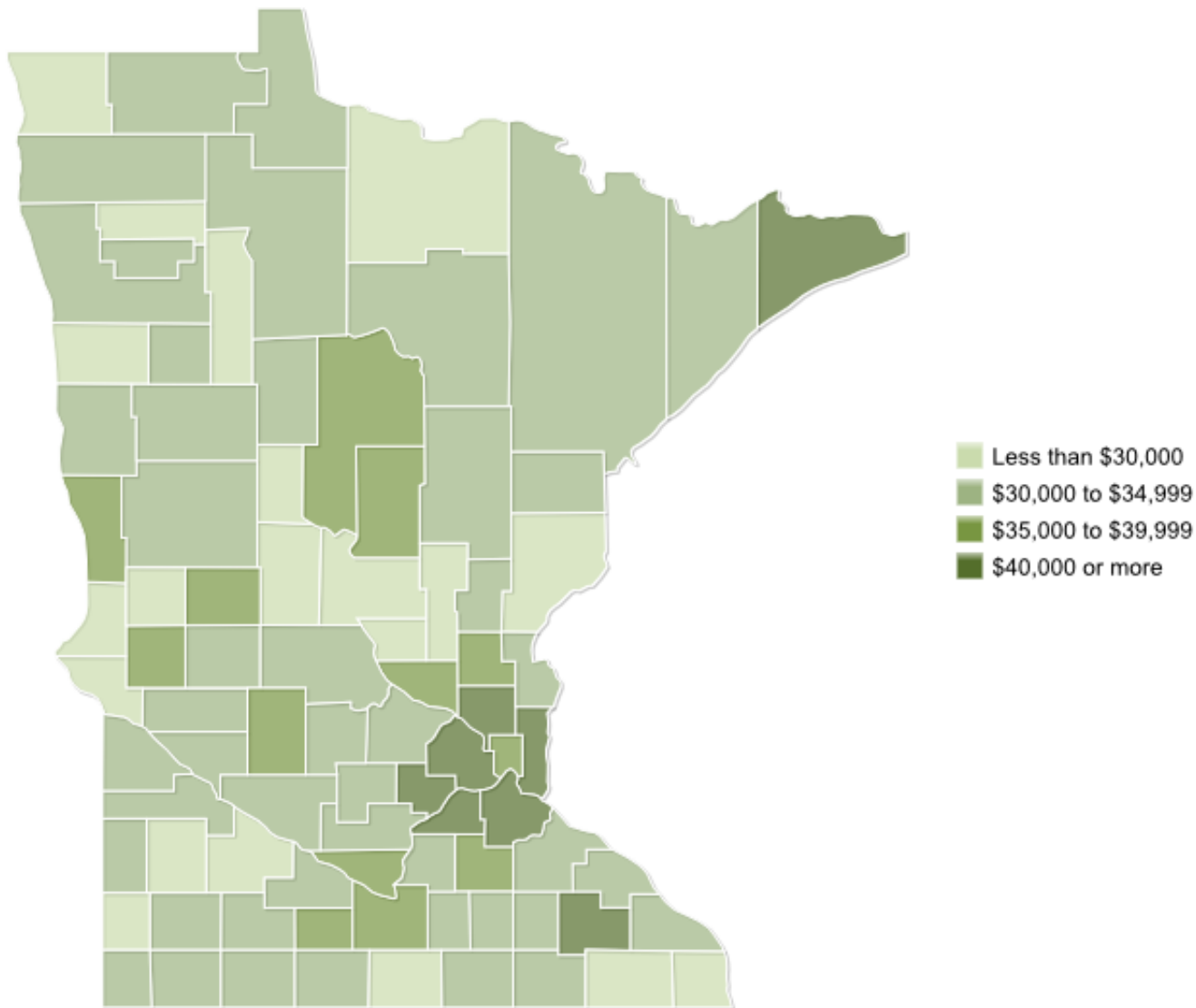
NATIONALLY, ½ OF PEOPLE BUYING LONG-TERM CARE INSURANCE HAVE INCOMES OF \$75,000+



SOURCE: Lifeplans, Inc., *Who Buys Long-Term Care Insurance? A 15-Year Study of Buyers and Non-Buyers, 1990-2005* (Washington, DC; America's Health Insurance Plans, 2007).

Median household income, 65+ head of household

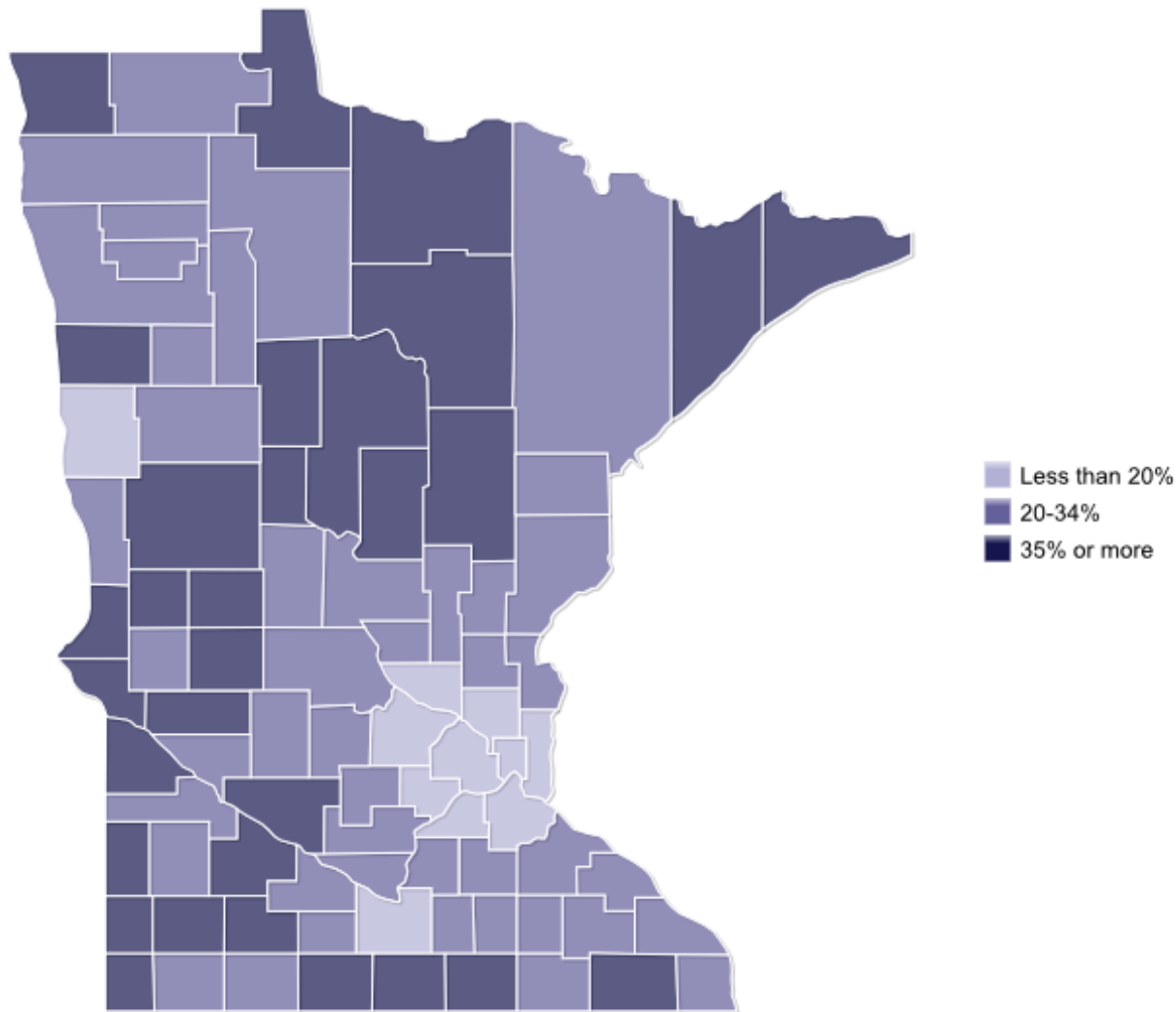
By county, Minnesota, 2008-2012



**TWIN CITIES,
ROCHESTER
OLDER
ADULTS:
RELATIVELY
HIGH
MEDIAN
INCOMES**

Retirement- to working-age ratio

By county, 2013



**AVAILABILITY
OF WORKERS
TO CARE FOR
AGING
POPULATION:
DARKER
AREAS WILL
STRUGGLE
MORE**

20% = 5
working-age
adult for every
older adult

33%=3
working-age
adults for every
older adult

More than 65 Years

ACS 2006 -- 2010 (5-Year Estimates)

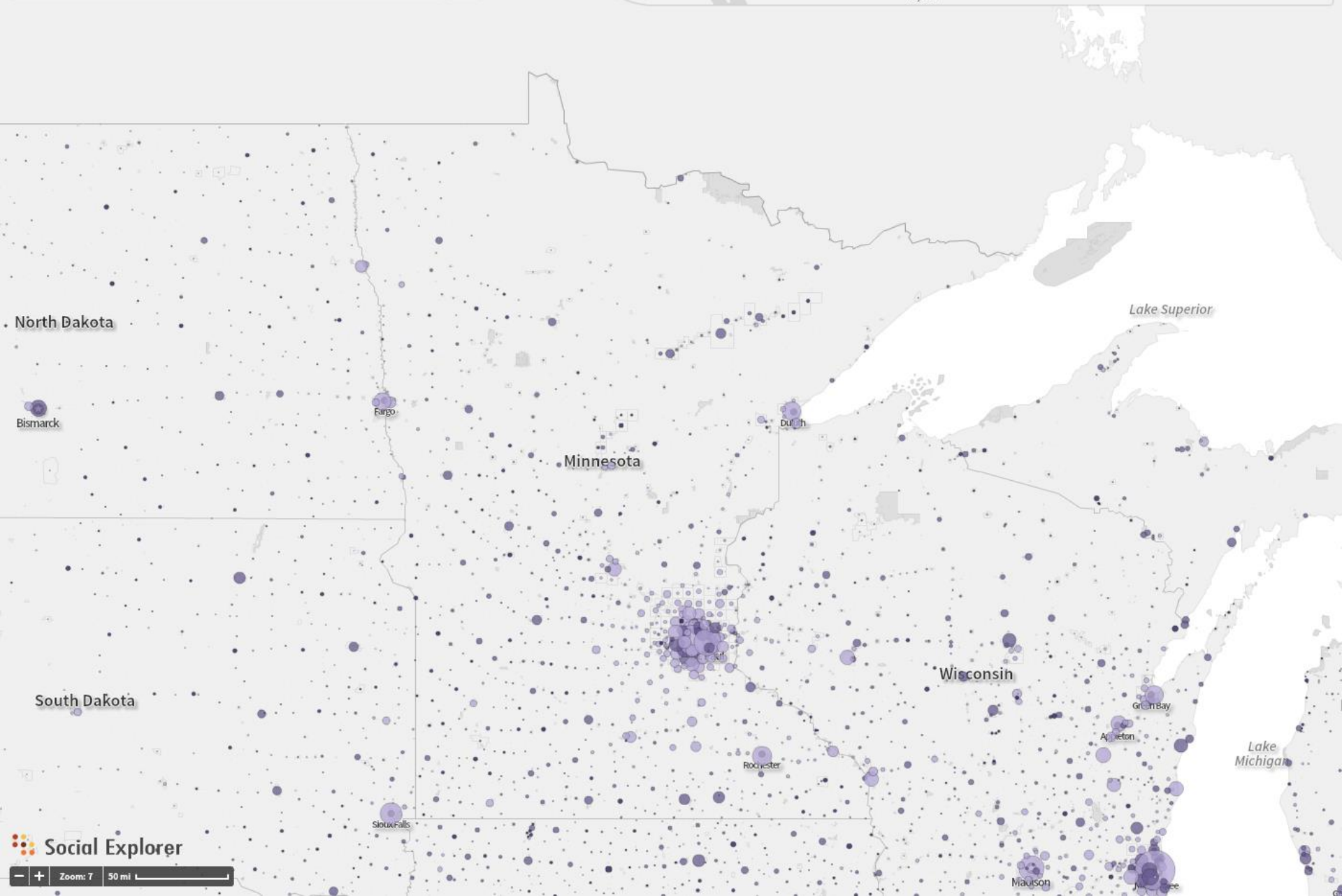
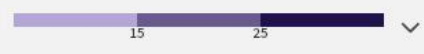
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Show data by:
Place

Visualization type:
Bubbles

13,000



Population 16 Years and over: In labor force

ACS 2008 -- 2012 (5-Year Estimates)

Enter address or geography



Show data by:
Place

Visualization type:
Bubbles

Bubble size represents value of 13,000



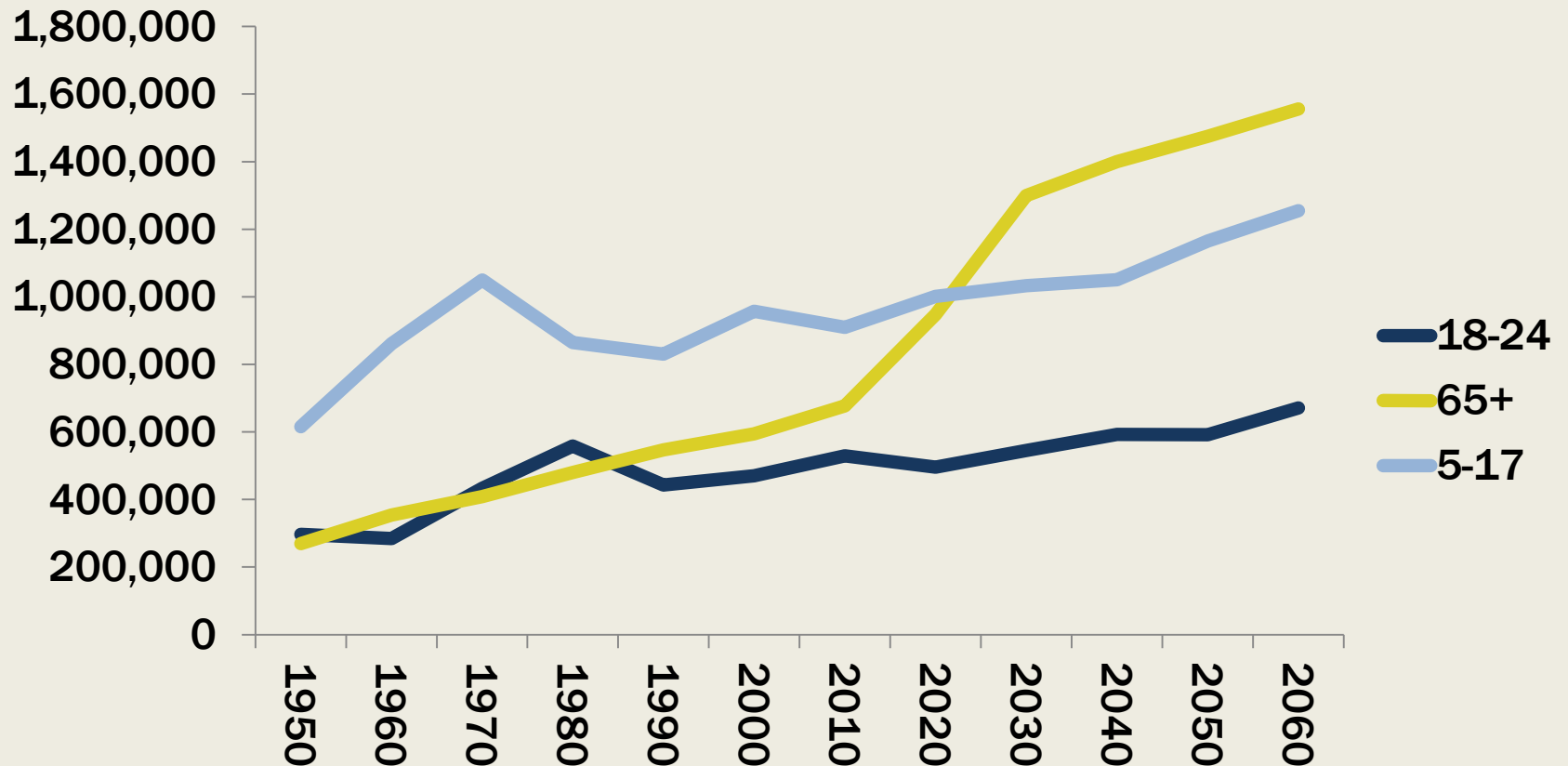
Minnesota

Augustana Mercy Care Center

Duluth

Superior

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Source: U.S. Census Bureau & Minnesota State Demographic Center



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